



# ACCELERATING VILLAGE FUND DISTRIBUTION STUDY TO SUPPORT THE ACHIEVEMENT OF THE 4+1 PRIORITY PROGRAM IN WEST SULAWESI

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## Abstract

This research aims to identify the mechanisms for accelerating the disbursement of village funds to support the achievement of priority programs outlined by the provincial government of West Sulawesi. These programs primarily focus on reducing stunting, extreme poverty, school dropouts, high rates of child marriage, and inflation control in the region. Data collection methods involve interviews, and data analysis is conducted through the interpretation of subjective informant understanding, subsequently refined by the researcher.

The research findings indicate that the mechanism for accelerating the disbursement of village funds to support the 4+1 priority programs in West Sulawesi involves implementing policies to expedite the determination and revision processes of Village Head Regulations regarding Village Budgets (APBDesa) and Village Head Regulations on Direct Cash Assistance Programs (PKM BLT). Additionally, strict supervision of policy implementation is necessary, along with the continuous implementation of policies for monitoring and evaluation of APBDesa operators, the establishment of village oversight forums, mapping of villages without internet access, and integrated policies involving intensive coordination among all decision-makers.

*Keywords: accelerating the disbursement, village funds, the 4+1 priority programs.*

## 1. Introduction

The 4+1 priority program initiated by the West Sulawesi Government to reduce stunting, alleviate extreme poverty, decrease school dropouts, lower high rates of child marriage, and control inflation needs immediate realization. The 4+1 priority program in West Sulawesi can be achieved through the Village Fund, considering its function based on the Minister of Villages, Disadvantaged Regions, and Transmigration (PDRT) Regulation Number 08 of 2022, which aims to support national programs for the prevention and reduction of stunting, improvement of human resource quality, and poverty reduction, especially extreme poverty.

The West Sulawesi 4+1 program is driven by several crucial factors, such as the urgent need to reduce the poverty rate in West Sulawesi, which stands at 11.92%, higher than the national rate by 1.65% or 9.57%, based on BPS data as of September 2022. Additionally, the local government's efforts to intervene in the stunting rate, which is at 35%, even the second-highest nationally, below East Nusa Tenggara according to the Survey of Indonesian Nutritional Status (SSGI) by the Ministry of Health in 2022.

The disbursement rate of the Village Fund shows inconsistency, based on OMSPAN data as of August 11, 2023, with an achievement percentage of only 61.09%, below the national level of 62%. This low disbursement rate can have repercussions on the delayed attainment of the priority programs of West Sulawesi Province and the national priorities, potentially hindering human development in West Sulawesi. In this regard, the West Sulawesi Provincial Government, specifically the Department of Community Empowerment and Village, can map out the issues related to the disbursement of Village Fund Phase I and BLT Quarters I and II for the years 2022 and 2023. This mapping aims to generate feasible recommendations, enabling the local government to utilize them in the subsequent year's disbursement of the Village Fund. It also serves as a reference and guideline for stakeholders dealing with issues related to the disbursement of village funds.

Moreover, the implementation of the disbursement process is crucial, especially considering the planning stages involving the determination of Village Budget Revenue and Expenditure Regulations (Perdes APBDes). The process unfolds as follows:

1. The Village Secretary coordinates the drafting of the Village Budget Draft based on the Village Mid-Term Development Plan (RKP Desa) and guidelines for drafting the Village Budget regulated by the Regent/Mayor or the Village Head.
2. The Village Head conveys the draft to the Village Consultative Body (BPD) for discussion and mutual agreement during the BPD deliberation, which must be completed no later than October of the current year.

3. Based on the consensus from point 2, the Village Head prepares the Village Head Regulation Draft regarding the elaboration of the Village Budget.
4. The Village Secretary coordinates the preparation of the Village Head Regulation Draft, similar to the Village Budget Draft. Subsequently, the Village Head submits it to the Regent/Mayor through the sub-district head or other designated officials within 3 (three) days of the agreement for evaluation.
5. The Regent/Mayor evaluates the draft, following the guidelines for evaluating the Village Regulation Draft on the Village Budget. They may involve the Village Head and/or relevant village officials in the process.
6. The evaluation results are documented in the Regent/Mayor's Decision and conveyed to the Village Head within 20 (twenty) working days from the date of receiving the draft.
7. The Village Regulation Draft regarding the Village Budget, once evaluated, is proclaimed by the Village Head as the Village Regulation on the Village Budget. This regulation must be determined no later than December 31 of the preceding fiscal year.
8. The Village Head establishes the Village Head Regulation Draft regarding the elaboration of the Village Budget as the implementing regulation of the Village Regulation on the Village Budget.
9. The Village Head submits both the Village Regulation on the Village Budget and the Village Head Regulation on the elaboration of the Village Budget to the Regent/Mayor within 7 (seven) working days after determination. Additionally, information regarding the Village Budget is disseminated to the public.
10. The Village Government can make changes to the Village Budget but this can only be done once in 1 (one) fiscal year, except in extraordinary circumstances.

Moving forward, the disbursement mechanism of the Village Fund, as well as the conditions for disbursement, is regulated by the Minister of Finance of the Republic of Indonesia Regulation Number 201/PMK.07/2022. This regulation is divided into two types: regular disbursement and disbursement for self-reliant villages.

1. Regular Village Fund disbursement is divided into 3 (three) stages, with the following provisions:
  - a. Stage I amounts to 40% (forty percent) of each village's Village Fund ceiling, with details:
    - 40% (forty percent) of each village's Village Fund ceiling, reduced by the needs of the Village Fund for one year. Document Requirements: Earliest Submission in January - Latest by June 23, 2023.
  - b. Stage II amounts to 40% (forty percent) of each village's Village Fund ceiling, with details:

- 40% (forty percent) of each village's Village Fund ceiling, reduced by the needs of the Village Fund for one year. Document Requirements: Earliest Submission in March - Latest by August 24, 2023.
- c. Stage III amounts to 20% (twenty percent) of each village's Village Fund ceiling, with details:
  - 20% (twenty percent) of each village's Village Fund ceiling, reduced by the needs of the Village Fund for one year. Document Requirements: Earliest Submission in June - Follows the Final Steps of the Fiscal Year 2023.
- 2. Village Fund disbursement for self-reliant villages is conducted in 2 (two) stages, with the following provisions:
  - a. Stage I amounts to 60% (sixty percent) of each village's Village Fund ceiling, reduced by the needs of the Village Fund, with details:
    - 60% (sixty percent) of each village's Village Fund ceiling, reduced by the needs of the Village Fund for one year. Document Requirements: Earliest Submission in January - Latest by June 23, 2023.
  - b. Stage II amounts to 40% (forty percent) of each village's Village Fund ceiling, reduced by the needs of the Village Fund, with details:
    - 40% (forty percent) of each village's Village Fund ceiling, reduced by the needs of the Village Fund for one year. Document Requirements: Earliest Submission in March - Follows the Final Steps of the Fiscal Year 2023. Additionally, Minister of Finance Regulation Number 201/PMK.07/2022 specifies the completeness of document requirements based on the stages of submitting disbursement requests for the Village Fund. This breakdown is detailed as follows:

1. Completeness of Document Requirements to the State Treasury Office (KPPN) for Regular Villages:

Stage I: Submission of document requirements to KPPN includes:

- a) Village Budget Revenue and Expenditure Regulation (Perdes APBDes).
- b) Letter of Authorization for Village Fund Transfer (accompanied by a village account list) by the Regent/Mayor.
- c) Cover Letter.
- d) Detailed List of Villages from OMSPAN printout.

Stage II: Submission of document requirements to KPPN includes:

- a) Report on the realization of absorption and output achievement of the previous fiscal year's Village Fund.
- b) Report on the realization of absorption in Stage I, averaging a minimum of 50%, and the output achievement report in Stage I, averaging a minimum of 35%.
- c) Cover Letter.

d) Detailed List of Villages from OMSPAN printout.

Stage III: Submission of document requirements to KPPN includes:

- a) Report on the realization of absorption up to Stage II, averaging a minimum of 90%, and the output achievement report up to Stage II, averaging a minimum of 75%.
- b) Report on the convergence of stunting prevention at the village level from the previous fiscal year.
- c) Cover Letter.
- d) Detailed List of Villages from OMSPAN printout.

2. Completeness of Document Requirements to the State Treasury Office (KPPN) for Self-Reliant Villages:

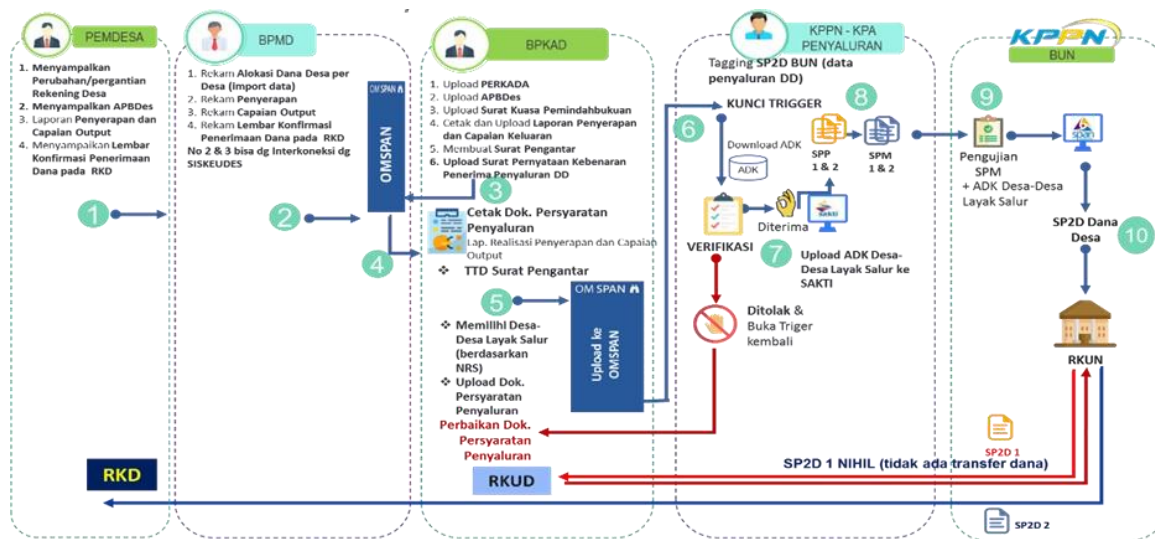
Stage I: Submission to KPPN includes:

- a) Village Budget Revenue and Expenditure Regulation (Perdes APBDes).
- b) Letter of Authorization for Village Fund Transfer by the Regent/Mayor.
- c) Cover Letter.
- d) Detailed List of Villages from OMSPAN printout.

Stage II: Submission to KPPN includes:

- a) Report on the realization of absorption and output achievement of the previous fiscal year's Village Fund.
- b) Report on the realization of absorption in Stage I, averaging a minimum of 50%, and the output achievement report in Stage I, averaging a minimum of 35%.
- c) Report on the convergence of stunting prevention at the village level from the previous fiscal year.
- d) Cover Letter.
- e) Detailed List of Villages from OMSPAN printout.

The disbursement of village funds for the year 2023 is carried out by the State Treasury Office (KPPN) through the mechanism of direct fund transfer from the State General Cash Account (RKUN) to the Village Cash Account (RKD) via the Regional General Cash Account (RKUD).



Submission of documents for disbursement, as explained above, is done electronically through the Online Monitoring SPAN (OM SPAN) application. Each Local Government (Pemda) is provided with a user and password for the OMSPAN application. The Financial and Asset Management Agency (BPKAD), acting as the operator and verifier approves or rejects the document requirements. The documents are then sent to the KPPN, acting as the Paying Authority for the Regional Transfer. KPPN verifies the documents through the OMSPAN application. If the document requirements are complete and comply with legal provisions, KPPN issues a payment request letter (SPP) and a payment order letter (SPM) through the SAKTI application. Once the front office of KPPN receives the complete documents, KPPN issues the State Treasury Warrant (SP2D) on the same day, and the Operational Bank transfers the money from the State Cash Account to the Regional General Cash Account.

The disbursement of BLT (Direct Cash Assistance) for the year 2023 is carried out as follows:

The following regulations have been established for the elaboration and disbursement of the Village Budget in Indonesia:

1. The Village Head has created the Village Head Regulation Draft, which serves as the implementing regulation of the Village Regulation on the Village Budget.
2. The Village Head must submit both the Village Regulation on the Village Budget and the Village Head Regulation on the elaboration of the Village Budget to the Regent/Mayor within 7 working days after determination. Additionally, information regarding the Village Budget must be disseminated to the public.
3. The Village Government can make changes to the Village Budget only once per fiscal year, except in extraordinary circumstances.



4. The disbursement mechanism of the Village Fund, as well as the conditions for disbursement, is regulated by the Minister of Finance of the Republic of Indonesia Regulation Number 201/PMK.07/2022.
5. The regulation is divided into two types of disbursement: regular disbursement and disbursement for self-reliant villages.

## **2. Methods**

This research uses a qualitative approach with active, observational, and participatory methods in data collection. Data collection is done through interviews, and data analysis is managed by interpreting the subjective understanding of informants, followed by the researcher's reflexivity. Informants providing the main information in this study include Village Heads in Mamuju Regency, Village Fund Managers, and the Head of the Regional Financial and Asset Management Agency (BPKAD).

## **3. Results and Discussion**

### *Research Findings 1*

The performance of the Village Fund disbursement in the provinces of Southeast Sulawesi and Gorontalo is higher compared to the performance of the Village Fund disbursement in West Sulawesi. Despite Southeast Sulawesi and Gorontalo having almost four times more villages than West Sulawesi, based on OMSPAN data as of August 11, 2023, the percentage of Village Fund disbursement in each district in West Sulawesi has contracted. Specifically, Polewali Mandar District is only at 9.11%, Pasangkayu District at 8.01%, and Mamuju Tengah District only reaching 7.28%. Overall, the year-on-year percentage growth of Village Fund disbursement in the local government environment across West Sulawesi increased by 4.81%, with the main contributor being Mamasa District, reaching 41.81%.

### *Research Findings 2*

The percentage of achievement in determining the Village Budget (APBDes) for the years 2022 and 2023 per month in each district in West Sulawesi is delayed by 2.27% compared to the previous year. The deadline for determination is December 31, 2022, as stipulated by the Minister of Home Affairs Regulation Number 20 of 2018 regarding Village Financial Management. All villages in Polewali Mandar

District have determined the APBDes for the year 2022, but the determination for 2023 only reached 87.5% of the total villages in Polewali Mandar District. Meanwhile, the determination of APBDes in Majene District shows a significant increase compared to the previous year. Furthermore, the determination of APBDes and regulations for the year 2022, excluding the determination of the previous year, was mostly done in January 2022, and for the year 2023, it was done in March 2023.

### *Research Findings 3*

The percentage of villages that have applied for the disbursement of Village Fund Stage I and Stage II for the years 2022 and 2023 per month in each district in West Sulawesi, where Polewali Mandar District has completed the determination of APBD Perdes for the year 2022 in the previous fiscal year. However, the villages that requested distribution started in March for Stage I, accounting for 10.42% of the total villages in that district. This indicates a delay in the submission of Village Fund requests that should have been done in January 2022. Furthermore, in 2023, only villages in Mamuju District will start requesting the disbursement of Village Fund Stage I in February 2023, with a percentage of 4.55% of the total villages in that district. Meanwhile, Majene District, which determined the most APBD Perdes for 2023 in the previous year, or 95.16% of the total villages in that district, actually started submitting requests in March 2023. This delay resulted in a district-level submission performance of 9.68% of the total villages in Majene District, even the lowest achievement for that month compared to other districts.

### *Research Findings 4*

The percentage of determination of BLT PERKADES for the years 2022 and BLT 2023 per month within the scope of the West Sulawesi local government used to measure the level of commitment of local governments in accelerating the periodic disbursement of Direct Cash Assistance (BLT) by fulfilling the BLT KPM PERKADES documents. Approaching the deadline for recording BLT KPM on May 12, 2023, there is still 2.96% of the total villages within the scope of the local government in West Sulawesi that have just determined the PERKADES BLT regulations for the years 2022 and 2023.

### *Research Findings 5*

Village governments began submitting requests for BLT disbursement in the first quarter of the year 2022 in March, with the largest proportion in Pasangkayu Subdistrict,



which is 27.12% of the total villages in that district. Pasangkayu District is the fastest district in determining the PERKADES BLT KPM for the year 2022 but did not show an acceleration in submitting BLT disbursement requests in the second quarter of the year 2022, completed within five months from March to August 2022.

#### *Research Findings 6*

The comparison date of the determination of the Village Fund Transfer Authorization Letter with the date of upload to OMSPAN in the years 2022 and 2023 shows the level of commitment to accelerate the submission of Village Fund Stage I requests from the determination of documents, not as complicated as the determination of APBD Perdes, to distribution to OMSPAN. The upload is a valid requirement for submitting distribution requests, not the date the document is processed. In 2022, there was a one-month gap between the determination of the Village Fund Transfer Authorization Letter in Pasangkayu District and Mamasa District, which only issued and uploaded documents in April 2022. However, Polewali Mandar District successfully uploaded the Village Fund Transfer Authorization Letter to OMSPAN in the same month as the authorization date. In 2023, three sub-districts had a one-month gap between the determination of the authorization letter and the upload date to OMSPAN, namely Pasangkayu District, Majene District, and Mamasa District. Furthermore, Polewali Mandar District is the district that issued documents the longest compared to other districts, namely in April 2023.

## **4. Conclusion**

Various notes on the delay in the disbursement of Village Funds, the delay in determining the APBD for the years 2022 and 2023, the delay in the submission of Village Fund Stage I and Stage II requests for the years 2022 and 2023, the delay in the determination of BLT for the years 2022 and 2023 within the scope of the local government in West Sulawesi, the delay in submitting requests for BLT disbursement in the first quarter of the year 2022, and the delay in the determination of the Village Fund Transfer Authorization Letter with the date of upload to OMSPAN in the years 2022 and 2023 will impact the delay in achieving the priority programs of reducing stunting, reducing extreme poverty, reducing school dropouts, reducing child marriages, and controlling inflation in West Sulawesi.

## **5. References**

Ministry of Village and Disadvantaged Region Development and Transmigration Regulation Number 8 of 2022 Regarding the Priority Utilization of Village Funds for the Year 2023.

Ministry of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management.

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